


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	19-032	Meeting:	January 28, 2019
	Agenda Item:	26	Roll Call:	19-135
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Resolution authorizing the City Manager to negotiate a development agreement based on preliminary terms with PDM Precast, Inc. for purchase of 29.89-acres of City-owned property at 3500 Vandalia Road.

SYNOPSIS:

PDM Precast, Inc. (Adam Peterson, 220 SE 6th Street, Suite 100, Des Moines) is a precast concrete fabricator, currently located within Des Moines at 3312 E Granger. They also have an office location at 220 SE 6th Street in Des Moines and a steel fabricating business, located in Carlisle.

PDM Precast, Inc. has requested to purchase approximately 30-acres of City-owned property at 3500 Vandalia Road, located southeast of their current fabrication facility to be able to consolidate and grow their business in Des Moines. The company plans to relocate their steel business to a new 45,500 square foot steel fabrication building on the City-owned property within three (3) years, with an additional 80,000 square feet in building to be constructed on their campus within 10 years.

The PDM Precast, Inc. expansion project is consistent with the vision for the Southeast Agrimergent Business Park Plan, adopted for this area by City Council in 2001 to guide new investment in agribusiness, manufacturing, technology, bioscience and other industries.

FISCAL IMPACT:

Amount: It is proposed that 25.89-acres of the 29.89-acre property would be sold for \$40,000 per acre with a 30% discount due to the recognition of the planned development of the property. Four (4) of the 29.89-acres are in a ditch and would be considered to have no value in the calculation. Final terms will include an additional discount due to extraordinary development costs that need to be further defined and reviewed. Any such discount will be subject to recapture if the planned development does not occur.

Funding Source: Proceeds from the sale will be deposited into the Economic Development Enterprise account.

ADDITIONAL INFORMATION:

- PDM Precast, Inc. was created by an employee group from IPC in 2012. The ownership group has a combined 60 years of experience in the construction, manufacturing, and prestressed/precast concrete industries.
- Product offerings include wall panels, double tees, hollowcore, beams, columns, spandrels, stairs, and risers. The products are used in the construction of warehouses, distribution centers, medical facilities, waste water treatment facilities, manufacturing facilities, schools, multifamily, hotels, retail, residential, and FEMA shelters.
- Trade area is centered within greater Des Moines, but clients are also located in southern Minnesota, western Illinois, northern Missouri, northern Kansas, and eastern Nebraska.
- Currently, PDM Precast, Inc. has approximately \$30 million in annual revenue providing precast concrete, steel, and other fabricated products.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Board of Adjustment – Approval of Permitted Conditional Use Permit
- Urban Design Review Board – Approval of Conceptual Development Plan
- Council – Set Hearing for Sale of Land; Hold Hearing for Sale of Land, Approval of Urban Renewal Agreement, Approval of Conceptual Development Plan

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.